Government of Saskatchewan

Annual Report 1987

Saskatchewan Horse Racing Commission

Saskatchewan

88-05615/

TABLE OF CONTENTS

LETTER OF TRANSMITTAL

ORGANIZATION CHART

CHAIRMAN'S REPORT

SUMMARY

THE YEAR IN REVIEW

GRANTS

STATISTICS

AUDITOR'S REPORT

FINANCIAL REPORT

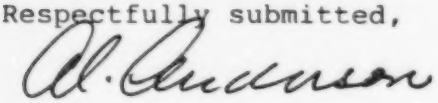
NOTES TO FINANCIAL STATEMENT

The Honourable Grant Devine
Minister of Agriculture
Province of Saskatchewan

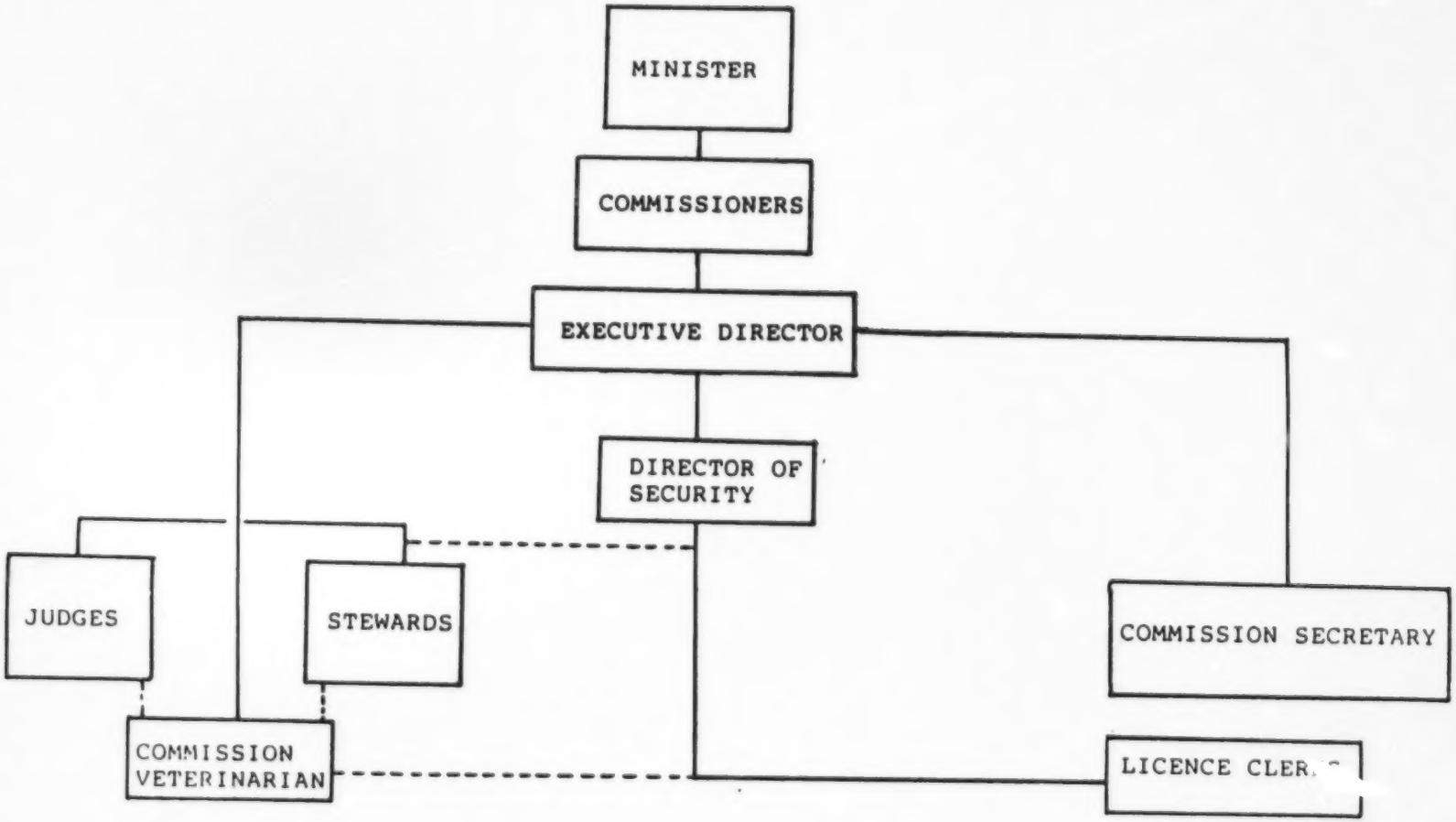
Sir:

Presented herewith is the Fourth Annual Report of the Saskatchewan Horse Racing Commission for the twelve months ending December 31, 1987.

Respectfully submitted,



Al Anderson, Chairman
Saskatchewan Horse Racing Commission


MINISTER
COMMISSIONERS
EXECUTIVE DIRECTOR
DIRECTOR OF SECURITY
JUDGES
STEWARDS
COMMISSION SECRETARY
COMMISSION VETERINARIAN
LICENCE CLER

CHAIRMAN'S REPORT FOR 1987

IT IS A PLEASURE TO PRESENT THIS REPORT ON BEHALF OF THE SASKATCHEWAN HORSE RACING COMMISSION.

RACING IN SASKATCHEWAN ENJOYED A SUBSTANTIAL 16% INCREASE IN ITS LIVE RACING HANDLE AND A 12% INCREASE IN THE NUMBER OF DAYS RACED. SEPARATE POOL WAGERING CONTINUED AT BOTH MARQUIS AND QUEENSBURY DOWNS.

MANY OF OUR RURAL MEETS HAD MORE THAN THEIR SHARE OF WEATHER PROBLEMS, AND A NUMBER OF RACE DAYS HAD TO BE CANCELLED. THIS RESULTED IN A SIGNIFICANT DECREASE IN HANDLES. MOOSE JAW WAS THE EXCEPTION, AND THEY ENJOYED A STRONG INCREASE IN THEIR PER RACE AVERAGE.

WINTER RACING WAS INTRODUCED TO SASKATCHEWAN RACING FANS THIS PAST DECEMBER BY REGINA'S QUEENSBURY DOWNS WHEN THEY OPENED THEIR 'FIRST EVER' WINTER RACING MEET. CERTAINLY ALL RACING ORGANIZATIONS IN SASKATCHEWAN WISH THEM EVERY SUCCESS IN THIS EXCITING NEW ENDEAVOR.

AL ANDERSON, CHAIRMAN
SASKATCHEWAN HORSE RACING COMMISSION

SUMMARY - THE SASKATCHEWAN HORSE RACING COMMISSION

THE SASKATCHEWAN HORSE RACING COMMISSION OPERATES UNDER THE AUTHORITY OF THE HORSE RACING COMMISSION ACT. THE OBJECTIVES OF THE HORSE RACING COMMISSION ARE TO DIRECT AND REGULATE HORSE RACING IN SASKATCHEWAN IN ANY OR ALL OF ITS FORMS. A PRIMARY OBJECTIVE OF THE COMMISSION IS TO MAINTAIN THE INTEGRITY OF HORSE RACING IN THE PROVINCE.

THE COMMISSION PERFORMS A NUMBER OF REGULATORY FUNCTIONS. THOSE OF PRINCIPAL INTEREST ARE;

- APPROVING RACE DATES,
- LICENSING ALL PEOPLE INVOLVED IN HORSE RACING,
- SUPERVISING HORSE RACING IN THE PROVINCE,
- ASSISTING IN THE DEVELOPMENT OF HORSE RACING IN SASKATCHEWAN,
- HEARING APPEALS ON JUDGES' AND STEWARDS' RULINGS,
- APPROVING SEPARATE POOL WAGERING DATES.

THE COMMISSION IS COMPRISED OF FOUR INDIVIDUALS WHO ARE APPOINTED FOR A PERIOD OF FIVE YEARS. THE CHAIRMAN IS ALTON B. ANDERSON, OF SASKATOON, AND THE VICE-CHAIRMAN IS E. ROBERT STROMBERG, Q.C., ALSO OF SASKATOON. THE OTHER COMMISSIONERS ARE WAYNE STEADMAN, REGINA, AND BONNIE EISERMAN, MAPLE CREEK.

THE COMMISSION EMPLOYED TWO FULL-TIME EMPLOYEES IN 1987; LEARY P. CLAYPOOL, EXECUTIVE DIRECTOR, AND BRENDA COWLEY, SECRETARY. FOR SEASONAL EMPLOYMENT, THE FOLLOWING WERE EMPLOYED:

DIRECTOR OF SECURITY	- 1
THOROUGHBRED STEWARDS	- 3
STANDARDBRED JUDGES	- 3
LICENSING CLERKS	- 5
STEWARD/JUDGE TRAINEE	- 1
VETERINARIANS	- 2
TOTAL SEASONAL HELP	= 15

THE YEAR IN REVIEW

DURING 1987, THE COMMISSION MET NINE TIMES AND CONDUCTED SEVEN CONFERENCE CALLS. THEY HEARD FIFTEEN APPEALS OF JUDGES' AND STEWARDS' RULINGS. OF THESE APPEALS, FOUR WERE ALLOWED, NINE WERE DISALLOWED AND TWO WERE MODIFIED REGARDING THEIR PENALTIES. TWO APPEALS WERE WITHDRAWN.

THE COMMISSION ISSUED 1,205 LICENCES FOR INDIVIDUALS INVOLVED IN THOROUGHBRED RACING AND 800 LICENCES FOR THOSE INVOLVED WITH STANDARDBRED RACING. FOR QUARTER HORSE AND APPALOOSA RACING, THERE WERE 128 LICENCES ISSUED. MISCELLANEOUS AND EXHIBITION LICENCES ACCOUNTED FOR 432 LICENCES.

RACING TOOK PLACE ON 191 DATES IN THE PROVINCE, AND FANS HAD THE OPPORTUNITY TO WATCH 1,886 RACES. THE TOTAL PARI-MUTUEL HANDLE WAS $14,492,082. SEPARATE POOL WAGERING BROUGHT A HANDLE OF $5,206,760 AND THE TOTAL PURSE MONEY IN SASKATCHEWAN WAS $2,483,447.25. ATTENDANCE WAS UP FROM LAST YEAR'S FIGURE OF 130,974 TO 186,211 FOR 1987.

THE JUDGES ISSUED 180 RULINGS DURING THE STANDARDBRED MEETS. THE STEWARDS ISSUED 74 FOR THE THOROUGHBRED MEET.

THE YEAR SAW THE INAUGURATION OF SASKATCHEWAN'S FIRST WINTER RACING MEET. HELD AT REGINA'S QUEENSBURY DOWNS, THE FIRST DAY OF THE WINTER RACING SEASON WAS SATURDAY, DECEMBER 12, 1987. THERE WERE FOUR MORE RACE DATES IN 1987 BEFORE THE SEASON EXTENDED INTO 1988.

THE HORSE RACING SEMINAR WAS HELD IN REGINA ON JANUARY 30 AND 31, 1987. THIS WAS THE SECOND ANNUAL SEMINAR AND THE THEME WAS 'THE FUTURE OF HORSE RACING IN SASKATCHEWAN'. SIXTEEN GUEST SPEAKERS DISCUSSED RELEVANT TOPICS TO THE NINETY-ONE REGISTRANTS, WHO ALSO ENJOYED A RECEPTION, COFFEE, AND LUNCHEON DURING THE TWO DAYS OF PRESENTATIONS.

THE TEN-DAY RULE WAS NOT WAIVED UNDER THE HORSE RACING REGULATION ACT, CHAPTER H(7) SECTION 4.

GRANTS TO THE INDUSTRY IN 1987

SASKATOON PRAIRIELAND EXHIBITION	$ 641,896.53
REGINA EXHIBITION ASSOCIATION	696,585.35
1% STANDARDBRED BREEDERS	75,799.99
MOOSE JAW EXHIBITION COMPANY	67,172.50
1% THOROUGHBRED BREEDERS	65,594.53
WESTERN COLLEGE OF VETERINARY MEDICINE	10,000.00
YORKTON AGRICULTURAL EXHIBITION	3,752.50
MELVILLE & DISTRICT AGRICULTURAL PARK	3,738.00
HORSE RACING INDUSTRY SEMINAR	2,829.60

SECURITY GRANTS

SASKATOON PRAIRIELAND EXHIBITION	66,120.00
REGINA EXHIBITION ASSOCIATION	83,624.00
	$ 1,717,113.00

STATISTICS FOR 1987

		ATTENDANCE	NUMBER OF RACES RUN	NUMBER OF DAYS HELD	PURSES DISTRIBUTED	PARIMUTUEL BETS
TABLE ONE: RACING BY LOCATION	MELVILLE	2,382	46	5	35,506.75	37,380.00
	MOOSE JAW	2,609	96	11	66,575.00	277,725.00
	REGINA	96,586	1,017	100	1,176,990.00	7,579,999.00
	SASKATOON	81,794	705	78	1,185,750.50	6,559,453.00
	YORKTON	2,840	22	2	18,625.00	37,525.00
	TOTAL	186,211	1,886	196	2,483,447.25	14,492,082.00
TABLE TWO: RACING BY BREED	QUARTERHORSE/ APPALOOSA	2,382	46	5	35,506.75	37,380.00
	STANDARDBRED	102,035	1,135	113	1,262,190.00	7,895,249.00
	THOROUGHBRED	81,794	705	78	1,185,750.50	6,559,453.00
	TOTAL	186,211	1,886	196	2,483,447.25	14,492,082.00

		QUARTERHORSE/ APPALOOSA	STANDARDBRED	THOROUGHBRED
TABLE THREE: PURSES BY LOCATION AND BREED	MELVILLE	35,506.75	n/a	n/a
	MOOSE JAW	n/a	66,575.00	n/a
	REGINA	n/a	1,176,990.00	n/a
	SASKATOON	n/a	n/a	1,185,750.50
	YORKTON	n/a	18,625.00	n/a
	TOTAL	35,506.75	1,262,190.00	1,185,750.50
TABLE FOUR: PARIMUTUEL BETS BY LOCATION AND BREED	MELVILLE	37,380.00	n/a	n/a
	MOOSE JAW	n/a	277,725.00	n/a
	REGINA - TRACK	n/a	6,400,850.00	n/a
	- INTERTRACK	n/a	n/a	745,037.00
	SASKATOON - TRACK	n/a	n/a	5,814,416.00
	- INTERTRACK	n/a	1,179,149.00	n/a
	YORKTON	n/a	37,525.00	n/a
	TOTAL	37,380.00	7,895,249.00	6,559,453.00
TABLE FIVE: SEPARATE POOL WAGERING BY BREED AND TRACK	REGINA - IN SEASON	n/a	221,739.00	n/a
	- OFF SEASON	n/a	2,652,067.00	145,864.00
	SASKATOON - IN SEASON	n/a	122,692.00	87,426.00
	- OFF SEASON	n/a	1,870,035.00	106,937.00
	TOTAL	n/a	4,866,533.00	340,227.00

SASKATCHEWAN HORSE RACING COMMISSION

FINANCIAL STATEMENTS

Year Ended December 31, 1987

OFFICE OF THE PROVINCIAL AUDITOR

REGINA, SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the Saskatchewan Horse Racing Commission as at December 31, 1987 and the statements of revenue and expenditure, operating surplus and changes in cash position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1987 and the results of its operations and changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

W. G. Lutz

Regina, Saskatchewan,
March 11, 1988.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

SASKATCHEWAN HORSE RACING COMMISSION

BALANCE SHEET

As at December 31

	1987	1986
ASSETS		
Current		
Term deposits at cost	$ 491,462	$ 148,072
Accounts receivable	9,048	12,961
Prepaid expense	2,465	1,505
	502,975	162,538
Furniture and equipment	12,708	10,127
	$ 515,683	$172,665
LIABILITIES AND EQUITY		
Current		
Bank overdraft	$ 2,900	$ 5,663
Accounts payable	134,217	13,243
Department of Agriculture Note 1 (b)	273,791	-
	410,908	18,906
Equity		
Operating surplus - (Statement 3)	92,067	143,632
Fixed assets	12,708	10,127
	104,775	153,759
	$ 515,683	$172,665

(See accompanying notes to the financial statements)

Statement 2

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF REVENUE AND EXPENDITURE

For the Year Ended December 31

	1987	1986
Revenue		
Grants - Department of Agriculture	$2,082,071	$1,256,847
Licenses and assessments	34,225	32,305
Interest	30,169	28,388
Fines	12,982	8,021
Other revenue	610	199
Total revenue	2,160,057	1,325,760
Expenditure		
Administration		
Salaries and benefits	291,471	273,720
Professional services	43,517	38,977
Commissioners' expenses (Note 4)	25,513	30,875
Automobile and travel	33,450	21,232
Supplies	10,730	7,206
Sundry	52,390	46,778
Purchase of fixed assets	2,581	512
	459,652	419,300
Grants	1,717,113	832,856
Security expenditures	2,614	116,840
Appeals expense (Note 4)	18,271	7,577
Other	13,972	5,413
	1,751,970	962,686
Total expenditure	2,211,622	1,381,986
Excess of expenditure over revenue (Statement 3)	$ (51,565)	$ (56,226)

(See accompanying notes to the financial statements)

Statement 3

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF OPERATING SURPLUS

For the Year Ended December 31, 1987

	Unappropriated	Appropriated		
	Operating Surplus	Contingency Reserve	Stabilization Reserve	Total Operating Surplus
Balance, beginning of year	$ -	$ 42,159	$ 101,473	$143,632
Excess of expenditure over revenue - (Statement 2)	(51,565)	-	-	(51,565)
Transfers from reserves in year (Note 3)				
Contingency reserve	-	-	-	-
Racing stabilization reserve	102,000	-	(102,000)	-
	50,435	42,159	(527)	92,067
Appropriations made during the year (Note 3)				
Contingency reserve	(12,609)	12,609	-	-
Racing stabilization reserve	(37,826)	-	37,826	-
Balance, end of year	$ -	$ 54,768	$ 37,299	$ 92,067

(See accompanying notes to the financial statements)

Statement 4

SASKATCHEWAN HORSE RACING COMMISSION

STATEMENT OF CHANGES IN CASH POSITION

For the Year Ended December 31, 1987

	1987	1986
Cash provided by		
Operations:		
Excess of expenditure over revenue	$(51,565)	$(56,226)
Net change in non-cash working capital balances:		
Decrease (increase) in prepaid expenses	(960)	(101)
Decrease (increase) in accounts receivable	3,912	(669)
Increase (decrease) in accounts payable	394,766	8,172
Total cash provided by (used in) operations	346,153	(48,824)
Cash, bank overdraft and term deposits, beginning of year	142,409	191,233
Cash, bank overdraft and term deposits, end of year	$488,562	$142,409

(See accompanying notes to the financial statements)

SASKATCHEWAN HORSE RACING COMMISSION

NOTES TO FINANCIAL STATEMENTS

December 31, 1987

1. Significant Accounting Policies

a) The financial statements of the Saskatchewan Horse Racing Commission are prepared on the accrual basis.

b) The Saskatchewan Horse Racing Commission receives a grant based on the estimated provincial portion of the live horse racing and estimated separate pool wagering pari-mutual tax. Any amounts received by the Commission in excess of the actual pari-mutual tax are returned to the Department of Agriculture at March 31 each year.

c) The Saskatchewan Horse Racing Commission utilizes a fund accounting basis wherein fixed asset purchases appear in the statement of revenue and expenditure. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in Fixed Assets." As asset purchases and sales appear in the statement of revenue and expenditure, no provision is made for depreciation on fixed assets.

2. Status of Commission

The Saskatchewan Horse Racing Commission was established by The Horse Racing Commission Act which was proclaimed December 15, 1983. The Commission has the powers to govern, direct, control, regulate and assist the horse racing industry in Saskatchewan.

3. Reserves

The Commission appropriates the operating surplus as follows:

i) Contingency Reserve

The amount appropriated yearly is 25% of the excess of revenue over expenditure for the year adjusted by any transfers to be made from the reserve. The reserve is to be used to make grants to the horse racing industry and to cover any future operating deficits as designated by the Commission and when decided by the Commission.

ii) Racing Stabilization Reserve

The amount appropriated yearly is 75% of the excess of revenue over expenditure for the year adjusted by any transfers designated by the Commission to be made from the reserve. The reserve is to be used as a purse supplement as and when decided by the Commission.

4. Commissioner's Remuneration

Included in Commissioners' expenses and Appeals expense are Commissioners' remuneration of $33,875 (1986 - $35,825) paid to five Commissioners.

5. Related Party Transactions

Included in these financial statements are expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the commission is related.